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ABSTRACT

In the last 10 years student financial aid has been characterized by a surge of enormous growth that has been both rapid and largely uncoordinated. The current situation is classified into four major headings: student confusion; serious managerial problems; lack of conceptual clarity; and special problems in need analysis. The implications of the findings are concluded to be serious. The multiple programs, apparent inconsistencies, and managerial problems create a poor delivery system for student financial aid, which will continue to increase the amount of confusion and uncertainty among the applicants, recipients, and the personnel who advise them. Funds are likely to be used inefficiently. The poor delivery system could cause inefficient management to the extent that Congressional and state legislative enthusiasm for student financial aid programs could be depressed. Developments and changes in the State Scholarship Program, the College Opportunity Grant Program, the State Guaranteed Loan Program, the Supervised Clinical Training Program, the Medical Student Contract Program, the Law Enforcement Personnel Dependents Scholarship Program, and the Research Program are reviewed with statistical data included. (Author/LBH)

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biennial report

Ninth

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HE 006 804

STATE SCHOLARSHIP AND LOAN COMMISSION

NINTH BIENNIAL REPORT

July 1, 1972 - June 30, 1974

STATE SCHOLARSHIP AND LOAN COMMISSION
1410 Fifth Street
Sacramento, California 95814

THE CALIFORNIA
STATE SCHOLARSHIP AND LOAN COMMISSION
AS OF JUNE 1974

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Mr. Gerald E. Marsh, Vice Chairman
Mrs. Virginia Cannon Murphy, Secretary
Dr. Fred L. Casmir
Dr. C. Thomas Dean
Mr. Fernando Oaxaca
Mrs. Sally Ann Rakow
Dr. Edward Simonsen
Mr. Emery R. Walker, Jr.

Mr. Fernando Oaxaca succeeded Mr. Erskine J. Sandys on January 31, 1973.

During the period covered by this report, the Commission conducted meetings at the following locations:

July 21, 1972, University of San Diego
October 12 and 13, 1972, Bakersfield Community College
December 15, 1972, Pepperdine University, Malibu Campus
February 2, 1973, Mansion Inn, Sacramento
April 13, 1973, California Institute of Technology
June 22, 1973, University of Santa Clara
July 27, 1973, Sheraton Inn Airport, San Diego
October 5, 1973, Stanford University
November 30, 1973, California State University, Long Beach
February 1, 1974, Commission Office, Sacramento
March 12, 1974, University of Santa Clara
May 31, 1974, Occidental College

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AS OF
JUNE 1974

ADMINISTRATION

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Dortha L. Morrison - Deputy Director
George W. Harris, Jr. - Administrative Service Officer I
Frank S. Flores - Associate Management Analyst
Roberta V. McPeak - Accounting Officer II
Anna F. Pratt - Personnel Assistant II

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Charles A. Eilers - Program Assistant
Donald L. Hansen - Program Assistant
David L. Kupper - Program Assistant
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Claudette M. Smith - Supervising Clerk I

COLLEGE OPPORTUNITY GRANT

Rod T. Tarrer - Program Supervisor II
Ann Malone - Supervising Clerk I

GRADUATE FELLOWSHIP

Robert R. Evarts - Program Supervisor I

OCCUPATIONAL EDUCATION AND TRAINING GRANT

Paul N. Lindsey - Program Supervisor I

GUARANTEED LOAN
LAW ENFORCEMENT PERSONNEL DEPENDENTS
MEDICAL STUDENT CONTRACT
SUPERVISED CLINICAL TRAINING

Carl L. Nelson - Program Supervisor I

RESEARCH

Walter Schenkel - Research Specialist

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AS OF JUNE 1974

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Dr. Robert P. Huff, Director of Financial Aids, Stanford University
Mr. Ted D. Johnston, Coordinator of Financial Aid, University of California, Berkeley
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Rev. Edward J. McFadden, Principal, St. Ignatius College Preparatory School, San Francisco
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Mr. Osborne R. Wheeler, Dean of Guidance Services, Fullerton Junior College

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Mr. Nathaniel Brooks, Assistant Principal, Menlo Atherton High School, Atherton
Mr. Raul Cardoza, Counselor, Rio Hondo College, Whittier
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Miss Thelma Golightly, Financial Aids Officer, San Bernardino Valley College
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Mr. Ralph Herrera, Assistant to the Chancellor, University of California, Santa Barbara
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Miss Ella Turner, Assistant Director, Student Development Program, Canada College, Redwood City

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OBSERVATIONS ABOUT THE STATUS OF STUDENT FINANCIAL AID
NATIONALLY AND IN CALIFORNIA

In the last ten years student financial aid has been characterized by a surge of enormous growth that has been both rapid and largely uncoordinated. Ten years ago student financial aid was a relatively simple educational enterprise. It was also very small with only one federal program (National Direct Student Loans), eight state programs, and limited college funds. In total, student financial aid resources were probably under $500,000,000 with the State of California's expenditures just under $3,000,000. One national financial need analysis system existed which was a national norm for need assessment.

Now there are six general federal programs for undergraduate students plus several categorical programs in health professions, law enforcement, etc. Three of the general federal programs are campus-based, one is administered by colleges and lenders, one is administered by a contractor and colleges, and one will be administered by participating states. At the same time, there are 28 states providing about $375,000,000 in grant assistance and some operate loan, or other specialized, programs. In California there are five programs of undergraduate student financial assistance administered by the State Scholarship and Loan Commission, two more administered by the individual segments of higher education, and it is possible that one or two additional programs will be enacted by the Legislature. All in all, student financial aid resources exceed $4,000,000,000 annually and are growing. California's state expenditures are in the neighborhood of $45,000,000.

If student financial aid could be compared to a building, a committee of reviewing architects ten years ago would have found it undersized, simple, clean in design, and functional. Today it would be found a massive, clumsy, hodgepodge of architectural ideas and materials, not functioning as well as it should to serve its population and with serious engineering deficiencies which could cause it to sway or collapse from its own weight or external pressure.

The situation at present may be summarized under four principal headings:

(1) Student Confusion. Students, families, teachers, and counselors are confused and frustrated by the multiplicity of federal, state and other student financial aid programs for undergraduates. Students are bewildered in their attempts to decipher eligibility requirements and application procedures for the state, federal, and college-based programs. It must be nearly impossible for financial aid directors, teachers, and counselors (possibly with a limited understanding of the difference of the programs themselves) to describe to a 17-year-old the differences in the programs and the procedures in applying for a BEOG, a SEOG, a State Scholarship, a COG, an OETG, a NDSL, a FISL, etc.

(2) Serious Managerial Problems. With the advent of the Basic Educational Opportunity Grant Program (BEOG) which will assist more than 1,000,000 students in 1974-75 and a greater number in subsequent years, the mechanical capacity to coordinate Commission programs with BEOG and campus-based programs has been exceeded. With various application forms and procedures, students apply to the Commission, to colleges, to a contractor for the BEOG, and to special organizations. Frequently, students receive awards from three or more sources and the Commission coordinates its awards with all organizations to insure that the student's assistance will not exceed his financial need and that, cooperatively, the best financial aid package can be developed for the student. Because of the size of the BEOG Program and its absolutely impossible application calendar (which does not coincide with college admissions and financial aid calendars), and because of the emergence of three need analysis systems (to be covered subsequently as a special problem), it will be impossible to coordinate awards effectively. If timely information cannot be provided to students concerning financial aid, they will be done a disservice increasing their confusion and hampering their ability to make decisions about their college plans.

(3) Lack of Conceptual Clarity. There does not seem to be conceptual clarity in the various federal student financial aid programs. The Supplemental Educational Opportunity Grant Program and the State Student Incentive Grant Program appear to be targeted toward the same populations and, therefore, to serve overlapping purposes. The role of SSIG and SEOG in relationship to BEOG is confused because of the differing delivery systems and the populations served also overlap to some degree. The 28 states currently administering student aid programs are uncertain of the relationship of their own programs to the new campus-based SEOG and BEOG. Indeed, the differences in the programs administered by the Commission in California are now blurred and two of them overlap considerably.

(4) Special Problems in Need Analysis. There are three major analysis systems in the country: CSS, ACT and the federal system for the BEOG Program. Three need analysis systems producing different estimates of parental ability to contribute toward college costs make coordination of awards difficult, if not impossible, and on occasions ridiculous.

The implications of the findings above are serious. The multiple programs, the apparent conceptual inconsistencies, and managerial problems of a mechanical nature create a poor delivery system for student financial aid which will continue to increase the amount of confusion and uncertainty among the applicants, recipients, and the personnel who advise them. Because of the conceptual and mechanical problems and the special problems of the multiple need analysis systems, funds are likely to be used inneficiently thus inviting accusations, with some validity, of misuse of public funds. The time may come when someone will have to explain to the public and the legislatures how public funds can be distributed using three or

more need analysis systems with different estimates of parental contributions toward college costs. This would not be an enviable task.

The poor delivery system could cause inefficient management to the extent that Congressional and state legislative enthusiasm for student financial aid programs could be depressed. It must be anticipated that there will be some students receiving more money than needed, other students being underfunded, and still others receiving money they need but at the wrong time and not when needed in order to make decisions concerning initial enrollment or continuation of college.

Because of concerns expressed by the Commission and others a National Task Force on Student Aid Problems has been formed with the assistance of the Carnegie, Ford, Lilly, and Sloan foundations. It will seek to find ways to make the student financial aid system more coherent, more equitable and more effective.

Arthur S. Marmaduke
Director
California State Scholarship and
Loan Commission

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LEGISLATION

Legislative interest in student financial aid and Commission programs continues to increase. Thirty-nine bills were introduced in 1973 and 1974 in which student financial aid was the specific subject or there was a direct effect on student financial aid programs.

Legislation passed in 1973 and 1974 included:

Assembly Bill 23, by Assemblyman Brown, increased the number of new College Opportunity Grants from 2,000 to 3,100, the number of new Occupational Education and Training Grants from 500 to 700; redesigned the State Graduate Fellowship Program by requiring an analysis of parental income in determining financial eligibility and directed the program in part to assist disadvantaged students with substantial potential for academic success. It also appropriated funds from the new federal State Student Incentive Grant Program to the Commission (1974).

Assembly Bill 950, by Assemblyman Lanterman, increased the number of new State Scholarships from 3.5% to 4.25% of high school graduates and the maximum award for students applying after January 1, 1974 from $2,200 to $2,500 (1973).

Assembly Bill 3514, by Assemblyman Berman, removed the maximum age limitation of 30 for new State Scholarship applicants (1974).

Assembly Bill 3862, by Assemblymen Knox and Lanterman, created a pilot program of tuition grants for students attending independent colleges in California who meet standards of the State Scholarship Program except for financial need (1974).

Senate Bill 576, by Senator Grunsky, appropriated funds through 1977-78 for the Medical Student Contract Program (1973).

Senate Bill 2474, by Senator Biddle, reappropriated unexpended funds for 1972-73 and 1973-74 for the Medical Student Contract Program. These funds would be available for allocation to Loma Linda University (1974).

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DEVELOPMENTS IN THE STATE SCHOLARSHIP PROGRAM

The past two years have seen significant changes in the administration of the State Scholarship Program. Improvements were made in the selection process, a formal and standardized award coordination system with colleges was established, and Commission policies were modified to provide State Scholarship winners greater flexibility in the use of their State Scholarships.

Elimination of the Semifinalist Category

One of the more significant changes in the administration of the State Scholarship Program was the elimination of semifinalist designations beginning with the 1973-74 competition. Prior to that competition the academic eligibility of all applicants was initially considered without regard to their financial qualifications. Those who met minimum academic standards were declared semifinalists and invited to submit a parents' financial statement for evaluation. Selection as a semifinalist was considered an honor by some students; the Commission staff felt that some applied simply to achieve this recognition knowing full well they would probably not meet the test of financial need. Those semifinalists who were found to have financial need and who were the most academically qualified were declared State Scholarship winners.

The revised procedures call for a complete and comprehensive evaluation of all applicants' grades, test scores, and financial statements to determine if eligibility and financial need requirements are met. Those determined to be the best qualified academically, having met all eligibility requirements, are declared winners while most of the other qualified candidates are placed on an alternate list. Elimination of the semifinalist category and resulting announcement has reduced the time between application and winner announcement, reduced administrative costs, and simplified procedures.

Leave of Absence Policy

The Commission, in past years, has maintained a rather restrictive leave of absence policy authorizing absences from studies only in instances where financial hardship, illness, legitimate academic circumstances, or extenuating personal reasons has made postponement of studies necessary. A modification of this policy was considered appropriate since many good students had sound educational reasons for requesting a leave. The Commission decided to permit a leave of absence for up to one year upon a student's request without regard to the specific reason for the proposed absence.

Leaves of absence for first-time scholarship winners are limited to no more than one semester, or two quarters, or terms, and are only for reasons beyond the control of the student. New winners who voluntarily choose to postpone enrollment are withdrawn from the program so that they will not deprive an alternate of an award.

Use of State Scholarships in Summer Sessions

A change in the Education Code was implemented during this period in order to provide assistance to those State Scholarship winners who desired to accelerate their education through attendance during summer sessions. The change in the law has made it possible for students to receive payment for a summer session when enrolled for at least six semester units or their equivalent.

New Scholarship Coordination Plan

Approximately 45% of the State Scholarship winners obtain some form of supplemental assistance to cover at least a portion of their financial need not met by their State Scholarship. Since the Commission and the California colleges are committed to a policy of providing financial assistance on the basis of estimated financial need, a plan for coordination of school and Commission awards has been found to be essential.

During the period of this report a comprehensive College Coordination Plan was developed for all university and college awards. This plan is designed to facilitate award coordination with all California colleges to ensure that all student financial assistance provided (federal, state, collegiate, or private) is consonant with established financial need.

Report of the Testing Advisory Panel

The Legislature directed the Commission to establish a panel of psychometrists to review the ramifications of using test results as part of the selection process as well as to assess the merits of the tests currently available. The report of the Testing Advisory Panel was presented to the Commission at its meeting in June, 1973. The Panel found that both available tests, Scholastic Aptitude Test and the aptitude test of the American College Testing Program, are relatively successful in measuring a student's potential for college level academic work. The Testing Panel recommended

continued use of a one-test system and, since the Commission's experience with the Scholastic Aptitude Test of the College Entrance Examination Board has been satisfactory, saw no compelling reason for switching to the examination conducted by the American College Testing Program. After scrutinizing the convertibility of a test, one to another, the Panel concluded that SAT-ACT conversions are neither technically nor administratively defensible. The Panel concluded that for the present the State Scholarship and Loan Commission should maintain its current selection procedures for State Scholarships, i.e., require all applicants to submit their total test scores and their cumulative grade average.

Scholarship Renewal Eligibility

Commission regulations had permitted each college to establish its own minimum academic standard that its State Scholars had to achieve in order to receive the school's recommendation for renewal. The Commission considered this long standing policy in light of the realities of the program today. Because it seemed logical and practical, the Commission voted to change its academic renewal standards and leave determination to the college to make the student academically eligible for renewal of a State Scholarship as long as the student is eligible to reenroll in college in a subsequent academic year. This change in Commission regulations, though adopted in Spring 1974, will become effective with the renewal process of 1975.

DEVELOPMENTS IN THE GRADUATE FELLOWSHIP PROGRAM

In the 1972-73 academic year, a greatly revised Graduate Fellowship Program was initiated in accordance with 1971 legislation by Assemblyman Lanterman. The program was opened to students pursuing graduate and professional degrees in all disciplines including dentistry, law, medicine, etc.

To accommodate the critical manpower need in the selection process and to handle the volume of student applicants from the wide range of academic pursuits, the State Graduate Fellowship Program held nine concurrent yet separate competitions in: (1) Allied Health; (2) Arts and Humanities; (3) Business; (4) Dentistry; (5) Education; (6) Law; (7) Medicine; (8) Science and Science Professions; and (9) Social Sciences. The number of fellowships in each of these competitive areas was determined after giving consideration to the current graduate and professional school enrollments and manpower need studies.

In addition to using manpower needs, academic performance and financial need were also used in the selection of State Fellows. With respect to academic performance, the Commission established a summary score composed of a test score (Graduate Record Examination Aptitude Test, Law School Admissions Test, Dental Admissions Test, Admission Test for Graduate Study in Business, Medical College Admission Test) and the grade point average taken from the last two years of undergraduate school prior to October 1, to determine the academic standing among the applicants in the State Fellowship competition. The summary scores were placed in

descending order within each academic competition and State Fellowships were awarded to those having the highest scores within each of the nine competitions.

Financial need continued to be a part of the State Graduate Fellowship competition and was determined by comparing each applicant's estimated financial resources with the respective graduate and professional school's budget established by the Commission. The law governing the State Graduate Fellowship did require a self-help expectation from each applicant in the form of employment and/or loans and the Commission established a $1,800 figure for this purpose. Applicants were considered as individuals in their own right and no parents' financial statements were used in the assessment of financial need during the 1973-74 competition.

DEVELOPMENTS IN THE COLLEGE OPPORTUNITY GRANT PROGRAM

Application Growth

The College Opportunity Grant Program has shown a steady growth with 9,341 applications received for the 1973-74 competition. The Governor and Legislature have responded to the need for additional grants and have increased the number of new grants offered to new winners from 1,000 to 2,000 for the 1972-73 and 1973-74 competitions.

Minority Enrollment

The program is also meeting its mandate of encouraging enrollment among minority low-income students which is reflected in the 75% minority winner group.

Until 1971, more than 80% of the students receiving new grants began at community colleges. As a result of Chapter 1516, Statutes of 1970, there are three categories of new College Opportunity Grant winners which have greatly reduced this figure.

1. Students who wish to attend a public community college in the freshman year. This category must represent no less than 51% of the total grants awarded. These grants will be for subsistence only with a $900 maximum.

2. Students who wish to attend a four-year college or university in the freshman year. This category may comprise 49% of the total grants awarded. These grants will be for subsistence only with a $900 maximum and will not include tuition.

3. Students who wish to attend a four-year college in the freshman year and whose reasons for attending a four-year college are exceptional and approved of by the Commission. This group will not exceed approximately 5% of category 2.

College Opportunity Grant recipients are eligible to transfer their grants to a four-year college after completion of their first year of study.

Several other developments have taken place in the College Opportunity Grant Program which have further helped the Commission to select students from disadvantaged backgrounds. The selection system is now established to recognize the applicant's parental educational level in determining whether the student will receive a College Opportunity Grant. It is felt by the Commission that the educational level of the parents has a direct bearing on the student's total background, as do other socioeconomic factors.

DEVELOPMENTS IN THE OCCUPATIONAL EDUCATION AND TRAINING GRANT PROGRAM

The Occupational Education and Training Grant (OETG) Program was signed into law on August 16, 1972, and became effective July 1, 1973, under what is known as the Bill Greene Occupational Scholarship Act. The act provided 500 new grants annually.

Basically the OETG is awarded to vocationally oriented students who demonstrate an aptitude and desire to train for specific occupations or technical careers but lack the funds to attend the appropriate public or proprietary training institutions. The applicant must establish financial need, and the grants are awarded on a competitive basis. Grants provide for tuition and fees of not more than $2,000 annually plus not more than $500 for books, tools, and other training related costs. The training must provide a job entry skill in an area of manpower need as defined by the Commission. Such training may range between four months and two years in duration. The primary thrust of the program is to provide recent high school graduates with meaningful and marketable job skills in the shortest feasible time.

Since academic excellence is not a requisite for the OETG, winner selection criteria are designed solely to identify the vocationally interested and capable student with little regard to purely academic achievement or aptitude. As a result, many winners have relatively low class standings. Despite this, the median grade point average of OETG winners is almost 3.0 or a "B". Winners therefore fairly well represent the entire grade spectrum.

Program expansion has been steady to this point. The number of applications submitted for the second year's competition rose by 42%. Many schools are still not represented among applicants, despite the fact that information and applications are uniformly mailed to every high school, public community college, and accredited proprietary school in the state. Expanded program information this year is directed toward eliminating this situation. The original list of manpower short occupational areas has been expanded and grant applications are routinely accepted for nonlisted occupations upon individual justification. In this regard the Commission does not feel competent to forecast California manpower requirements and has asked that this function be assumed by the Postsecondary Education Commission.

Program administration has been complicated by the fact that OETG winners attend some 150 separate schools offering courses which begin every few weeks. Many of these schools are not familiar with Commission procedure, have no specialized financial aid officer, and experience a steady turnover of administrative personnel. These problems have necessitated changing and/or streamlining program procedures and processing student awards on an individual basis. Program administration continues to be more cumbersome than that of the others operated by the Commission, but as insight is gained, it is clear that this factor will not impede continuous expansion of the program.

Selection Procedures

Applicant need is determined by subtracting the expected family contribution, developed using the Parents' Confidential Statement, from the total cost of the specific course. Applicants lacking financial need are thus eliminated early in the selection process. Valid applications are then scored to give emphasis (50%) to the students' work experience, education history, extracurricular activities and self-appraisal. An additional 40% of the score is derived from teacher/counselor recommendations and appraisals, and the remaining 10% is based upon vocation and overall grade point average. Applications are evaluated and scored by selection panels of both public and proprietary vocational educators. These panels have invariably commented favorably upon the overall validity and consistency of the selection procedures. Because of this, and a highly satisfactory course completion rate at this point, no basic changes have been made in the original selection criteria. Selection criteria are, however, under continuous study and may be modified should scheduled program evaluations indicate a need for such modification.

Upon initiation of this program the Commission appointed an Advisory Committee of nine members knowledgeable of occupational and technical education and representing both public and proprietary institutions. This committee's assistance and advice, particularly in those areas dealing with the unique and often subtle differences between the occupational and the purely academic approaches to education, has been invaluable. Its members provide requested advice and assistance on an individual or ad hoc basis, and the committee as a whole convenes twice annually to review program process and planning.

DEVELOPMENTS IN THE STATE GUARANTEED LOAN PROGRAM

Federal funds deposited with the Commission as reserve for loan guarantee were fully committed for State Guaranteed Student Loans in November of 1967. Since that time student loans have been insured by the U. S. Office of Education under the federally insured Guaranteed Student Loan Program.

As of June 30, 1974, there were $432,387 in the reserve fund, a reduction from the $605,582 on hand as of June 30, 1972. Loans purchased from lenders as of June 30, 1974, amounted to $2,145,965, of which the amount of $785,922 has been turned over to a collection agency to effect collection; $1,360,043 remains to be collected at the Commission. Of

those given to the collection agency, $314,122 (about 40%) were returned as uncollectable. Agency collections have been $234,288. Bankruptcy of student borrowers accounts for approximately $112,237 of the loan purchases from lenders.

DEVELOPMENTS IN THE SUPERVISED CLINICAL TRAINING PROGRAM

The Commission is authorized to make grants to medical schools based on costs of not more than $10,000 per student enrolled in the Supervised Clinical Training Program. This program is to provide an approved one-year clinical experience for graduates of foreign medical schools, or those who have completed the requirements for graduation, except internship or social service. Such training is for U. S. citizens to become eligible for licensure as a physician provided that certain other requirements are completed in addition to the clinical training, and they pass the examination required by the State Board of Medical Examiners.

The State Board of Medical Examiners approves programs of supervised clinical training at hospitals under the direction of medical schools. The following shows the number of full-time equivalent students enrolled at approved schools.

Year	UC Irvine	UC Davis	USC	Loma Linda	Total
1972-73	4-1/3	14	7	-	25-1/3
1973-74	5-2/3	5	6	5-1/2	22-1/6

DEVELOPMENTS IN THE MEDICAL STUDENT CONTRACT PROGRAM

The Medical Student Contract Program currently authorizes the Commission to enter into contracts of up to five years with nonstate supported colleges and universities who maintain a school of medicine accredited by the Joint Liaison Committee of the American Medical Association and the Association of American Medical Colleges. Contracts may provide for payments to the university or college of $12,000 for a full-time equivalent student who represents increased enrollment over 1970-71 academic base year enrollment. Any federal funds for the capitation grants received by the schools under Public Law 92-157, or similar funds, are deducted from the Commission payments.

Two medical schools, Stanford University and the University of Southern California, have participated in the program. A third, Loma Linda University, expanded enrollment in anticipation of approval of a contract but has not been awarded funds because of problems regarding approval of their Affirmative Action Program by the State Fair Employment Practice Commission.

NUMBER AND AMOUNT OF CAPITATION GRANTS

Year	Stanford Number	Stanford Amount	USC Number	USC Amount	Total Number	Total Amount
1972-73	10	$104,690	14	$140,262	24	$244,952
1973-74	22	$228,580	36	$350,730	58	$579,310

DEVELOPMENTS IN THE LAW ENFORCEMENT PERSONNEL DEPENDENTS SCHOLARSHIP PROGRAM

Scholarships are available for persons who were dependents of peace officers or law enforcement officers, at the time of death, permanent impairment or total disability. The law officers must be killed in the performance of duty or die or be permanently, totally disabled as a result of an accident or an injury caused by external violence or physical force incurred in the performance of duty. Dependents must have been natural or adopted children. Scholarships may be used to attend any postsecondary collegiate level institution in California accredited by or candidate for accreditation by the Western Association of Schools and Colleges. Awards are for subsistence, books and supplies. They are given in $100 increments from $500 to $1,500 per year with a maximum of $6,000 in a six-year period. The student needs to be a California resident at the time of application.

In 1972-73 and 1973-74, three students were eligible for assistance under this program and received the award.

DEVELOPMENTS IN THE RESEARCH PROGRAM

The Commission continued its efforts to develop and disseminate data and information which should help to provide a rational basis for decisions concerning student financial aid policies and management. Several major studies were conducted and included the following:

Student Resources Survey - October 1972
Report of Testing Advisory Panel - June 1973
Report on the Second Institutional Student Financial Aid Resources Survey, 1971-72 and 1972-73 - July 1973
Report on the Third Institutional Student Financial Aid Resources Survey, 1972-73 and 1973-74 - November 1974

While the data have been valuable and should form the basis for longitudinal analysis of student financial aid opportunities, the Commission hopes to develop a systematic long-term research program so each major study will be determined and announced well in advance of its execution. A systematic research program with announced dates for each project should be helpful to each California college.

STATISTICAL AND BUDGET DATA

1972 - 1974

ACTUAL BUDGET EXPENDITURES

All Programs

	1972-73			1973-74		
	No. of Awards	Expenditures	Average Award	No. of Awards	Expenditures	Average Award
Scholarship Program	23,090	$21,335,520	$ 924	27,403	$26,622,265	$ 972
College Opportunity Grant Program	3,811	3,974,554	1,043	4,762	5,318,010	1,116
Graduate Fellowship Program	569	948,207	1,666	638	961,525	1,507
Occupational Education and Training Grant Program	-0-	-0-	-0-	500	424,130	848
Law Enforcement Personnel Dependents Program	3	3,100	1,033	4	4,700	1,175
Medical Student Contract Program	24	244,952	10,206	58	579,310	9,988
Supervised Clinical Training Program	27	265,833	9,846	21	209,166	9,960

ACTUAL BUDGET

ALL PROGRAMS

	1972-73	1973-74
Scholarship	$24,217,850	$28,755,971
Graduate Fellowship	1,103,861	1,056,257
College Opportunity Grant	4,596,389	6,336,636
Law Enforcement	21,900	20,400
Occupational Education and Training Grant	50,398	565,876
Guaranteed Loan	28,781	19,521
Medical Student Contract	676,120	1,253 583
Supervised Clinical Training	500,000	500,500
Research	-0-	43,730
Administration (Distributed to all Programs)	(220,203)	(285,509)
Totals	$31,195,299	$38,552,474

COMPARATIVE DATA 1972-73 AND 1973-74

STATE SCHOLARSHIP PROGRAM

A. Applicant Participation	1972-73	1973-74
Total applicants*	41,949	43,684
Total semifinalists	31,145	37,688
Total new awards offered	12,180	14,580
Total accepted	9,526	11,193
Prior year awards renewed	13,564	16,210
Total awards in effect	23,090	27,403
Acceptance rate new awards	78%	77%

*Applications are filed in prior year.

B. Distribution by Class Level of Enrollment - Percentage of Total Group

Level	1972-73	1973-74
	%	%
Freshmen	33.5	32.0
Sophomores	28.2	24.5
Juniors	21.4	26.2
Seniors	16.9	17.3

C. Distribution by Type of Institution Attended - Percentage of Total Group

Type	1972-73		1973-74	
	New	Renewal	New	Renewal
	%	%	%	%
Independent colleges	42.8	46.0	44.7	46.0
University of California	34.9	36.7	32.7	34.9
State Univ. and Colleges	22.3	17.3	22.6	19.1

D. Distribution of Funds by Type of Institution Attended - Percentage of Total Group

Type	Percent	
	1972-73	1973-74
Independent colleges	76.7	78.7
University of California	20.5	18.4
State Univ. and Colleges	2.8	2.9

E. Distribution of Funds by Type of Institution Attended

Type	Dollars (in thousands)* 1972-73	1973-74
Independent colleges	17,743	22,428
University of California	4,757	5,236
State Univ. and Colleges	643	842
	23,143	28,506

F. Renewal of Prior Four-year Awards - Award Loss Rate for Year Indicated (As of September each year.)

Category	1972-73 %	1973-74 %
Renewed	79.39	80.93
Academically disqualified	2.11	1.88
Lack of financial need	9.65	9.31
Student withdrawal	5.13	4.07
Did not reapply	2.85	3.08
Nonresidents	.07	.01
Four-year to Community College Reserve	.75	.72
Four-year to deferment	.05	.00
	100.00	100.00
Total Disqualified	19.81	18.35

G. Participation Summary for Community College Reserve Scholarship Program

Community College Reserves transferring to four year colleges	954
1972-73 Renewed Community College Reserves	1293
1972-73 Renewed four-year students transferring to Community College Reserve	135
Number of new 1973-74 Community College Reserve winners	3055
Total number of Community College Reserve winners	4483

*The dollar figures are as of September of each year and do not represent final expenditures.

COMPARATIVE DATA 1972-73 AND 1973-74

GRADUATE FELLOWSHIP PROGRAM

A. Applicant Participation	1972-73	1973-74
Total applicants	4,154	4,072
Total new awards offered	657	369
Total awards accepted	569	302
Prior year's awards renewed	0*	336
Total awards in effect	569	638

*No renewal fellowships were awarded due to termination of the "old" State Graduate Fellowship Program.

B. Distribution by Class Level of Enrollment - Percentage of Total Group

Level	1972-73 %	1973-74 %
Educational level 1's	29.35	25.71
Upper educational levels	70.65	74.29

C. Distribution of Graduate Fellows by Type of Institution Attended by Total Group

Type	1972-73 %	1973-74 %
Independent colleges	52.38	46.08
State Univ. and Colleges	1.77	5.96
University of California	45.85	47.96

D. Distribution of Funds by Type of Institution Attended by Total Group

Type	1972-73 Percent	1973-74 Percent
Independent colleges	81.10	79.11
State Univ. and Colleges	.20	.58
University of California	18.70	20.31

Type	1972-73 Dollars*	1973-74 Dollars*
Independent colleges	781,571	826,115
State Univ. and Colleges	1,626	6,131
University of California	180,881	212,059
	964,078	1,044,305

*The dollar figures are as of September of each year and do not represent final expenditures.

COMPARATIVE DATA 1972-73 AND 1973-74

COLLEGE OPPORTUNITY GRANT PROGRAM

A. Applicant Participation	1972-73	1973-74
Total applicants*	8,929	9,341
Total grants offered	2,266	2,480
Total grants accepted	2,000	2,000
Total remaining alternates	432	205
Total renewals	1,811	2,762
Total Grants**	3,811	4,762

* Applications are filed in prior year.

** 1,000 new winners was the maximum allowed for 1971-72; 2,000 students was the maximum number of grants for 1972-73 and 1973-74.

B. High School Grade Point Average of New Winners (1973-74)

Frequency Distribution of Grade Point Average			Percent
4.0	-	39	1.95
3.9	-	67	3.35
3.8	-	105	5.25
3.7	-	94	4.70
3.6	-	109	5.45
3.5	-	242	12.10
3.4	-	191	9.55
3.3	-	202	10.10
3.2	-	194	9.70
3.1	-	188	9.40
3.0	-	201	10.05
2.9	-	120	6.00
2.8	-	75	3.75
2.7	-	65	3.25
2.6	-	45	2.25
2.5	-	29	1.45
2.4	-	23	1.15
2.3	-	6	.30
2.2	-	3	.15
2.1	-	-	-
2.0	-	2	.10
		2,000	100.00

Mean: 3.2
Median: 3.3

C. Distribution of Students by Class Level of Enrollment - Percentage of Total Group (New and Renewals)

Level	1972-73	1973-74
	%	%
Freshmen	52.49	42.01
Sophomores	21.83	34.00
Juniors	16.24	14.10
Seniors	9.44	9.89

D. Distribution of Students by Type of Institution Attended - Percentage of Total Group (New and Renewals)

Type	1972-73	1973-74
	%	%
Community colleges	43.19	39.92
State Univ. and Colleges	26.76	24.44
University of California	17.61	19.03
Independent colleges	12.44	16.61

E. Distribution of Funds by Type of Institution Attended

Type	Percent 1972-73*	1973-74*
Community colleges	34.00	28.00
State Univ. and Colleges	23.00	20.00
University of California	20.00	20.00
Independent colleges	23.00	32.00

*New and renewal totals combined

Type	Dollars** 1972-73*	1973-74*
Community colleges	$1,455,735	$1,671,998
State Univ. and Colleges	1,006,502	1,153,789
University of California	845,572	1,192,930
Independent colleges	994,122	1,880,986
	$4,301,931	$5,879,703

*New and renewal totals combined.
**The dollar figures are as of September of each year and do not represent final expenditures.

F. Renewal of Prior Awards - (Based on 3,811 total recipients as of September 1972 and 4,672 total recipients as of September 1973.)

	1972-73		1973-74	
	#	%	#	%
Renewed	2,762	72.47	3,576	75.09
Graduates	264	6.92	338	7.10
Academically disqualified	18	.47	19	.40
Lack of financial need	107	2.80	140	2.94
Student self-withdrawal	115	3.06	112	2.35
Did not reapply	167	4.38	196	4.12
Nonresident	4	.10	-	-
Pending military leave	-	-	-	-
Students on military leave	13	.34	5	.10
Students withdrawn during year	350	9.18	355	7.46
Reinstatements	-	-	-	-
Misc. categories	11	.28	21	.44
Totals	3,811	100.00	4,762	100.00

G. Ethnic Group Membership of Initial College Opportunity Grant Recipients

Ethnic Group	1972-73	1973-74
	%	%
Black	20.5	24.1
Brown	43.1	41.1
Filipino	2.7	3.2
Asian	9.2	10.8
Indian	1.7	1.3
White	22.0	18.8
*Other	.8	.7
No response	-	-
Totals	100.0	100.0
Number of total new awards	2,000	2,000

*Guamian, Samoan, Egyptian, East Indian, mixtures.

DATA - 1973-74

OCCUPATIONAL EDUCATION AND TRAINING GRANT PROGRAM

A. Applicant Participation

	1973-74*
Total applications	2,081
Total grants offered	881
Total grants accepted	500
Total remaining alternates	98
Total grants in effect	500

*First-year of program

B. Distribution by Type of Institution Attended - Percentage of Total Group

Type	1973-74 %
Community colleges	61.4
Hospital schools	.8
Four-year colleges	5.0
Proprietary schools	32.8

C. Average Award by Type of Institution Attended

Type	1973-74
Community colleges	$ 381.76
Hospital schools	625.00
Four-year colleges	1,892.00
Proprietary schools	1,634.00
Average award per student	$ 869.00

D. Average Family Income by Type Institution Winner Attended

Type	1973-74
Community colleges	$5,604.00
Hospital schools	9,325.00
Four-year colleges	8,356.00
Proprietary schools	8,447.00
Overall average family income	$6,740.00

E. Distribution of Funds by Type Institution Attended

Type	1973-74
Community colleges	$117,200.00
Hospital schools	2,250.00
Four-year colleges	47,300.00
Proprietary schools	267,900.00
Total	$434,900.00**

**The dollar figures are as of September of each year and do not represent final expenditures.